

IC 36-1-8-5.1

Rainy day funds established by political subdivisions

- Sec. 5.1. (a) A political subdivision may establish a rainy day fund by the adoption of:
- (1) an ordinance, in the case of a county, city, or town; or
 - (2) a resolution, in the case of any other political subdivision.
- (b) An ordinance or a resolution adopted under this section must specify the following:
- (1) The purposes of the rainy day fund.
 - (2) The sources of funding for the rainy day fund, which may include the following:
 - (A) Unused and unencumbered funds under:
 - (i) section 5 of this chapter;
 - (ii) IC 6-3.5-1.1-21.1;
 - (iii) IC 6-3.5-6-17.3; or
 - (iv) IC 6-3.5-7-17.3.
 - (B) Any other funding source:
 - (i) specified in the ordinance or resolution adopted under this section; and
 - (ii) not otherwise prohibited by law.
- (c) The rainy day fund is subject to the same appropriation process as other funds that receive tax money.
- (d) In any fiscal year, a political subdivision may, at any time, do the following:
- (1) Transfer any unused and unencumbered funds specified in subsection (b)(2)(A) from any fiscal year to the rainy day fund.
 - (2) Transfer any other unobligated cash balances from any fiscal year that are not otherwise identified in subsection (b)(2)(A) or section 5 of this chapter to the rainy day fund as long as the transfer satisfies the following requirements:
 - (A) The amount of the transfer is authorized by and identified in an ordinance or resolution.
 - (B) The amount of the transfer is not more than ten percent (10%) of the political subdivision's total annual budget adopted under IC 6-1.1-17 for that fiscal year.
 - (C) The transfer is not made from a debt service fund.
- (e) A political subdivision may use only the funding sources specified in subsection (b)(2)(A) or in the ordinance or resolution establishing the rainy day fund. The political subdivision may adopt a subsequent ordinance or resolution authorizing the use of another funding source.
- (f) The department of local government finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.
- (g) A county, city, or town may at any time, by ordinance or resolution, transfer to:
- (1) its general fund; or
 - (2) any other appropriated funds of the county, city, or town;
- money that has been deposited in the rainy day fund of the county, city, or town.

As added by P.L.251-2001, SEC.2. Amended by P.L.90-2002, SEC.461; P.L.173-2003, SEC.19; P.L.267-2003, SEC.15; P.L.81-2004, SEC.45; P.L.53-2011, SEC.2; P.L.105-2013, SEC.1; P.L.288-2013, SEC.71.